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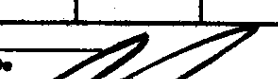
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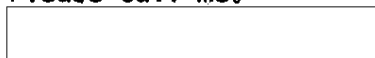

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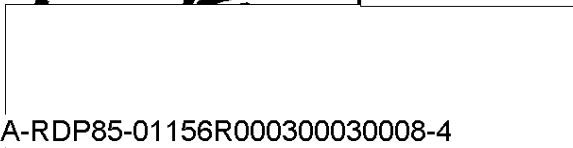
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THE WHITE HOUSE

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April 20, 1982

MEMORANDUM FOR THE VICE PRESIDENT
THE SECRETARY OF STATE
THE SECRETARY OF THE TREASURY
THE SECRETARY OF DEFENSE
THE SECRETARY OF COMMERCE
THE SECRETARY OF THE INTERIOR
THE SECRETARY OF ENERGY
DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET
✓ DIRECTOR OF CENTRAL INTELLIGENCE
ASSISTANT TO THE PRESIDENT FOR POLICY DEVELOPMENT
CHAIRMAN, COUNCIL OF ECONOMIC ADVISERS
CHAIRMAN, JOINT CHIEFS OF STAFF
DIRECTOR, FEDERAL EMERGENCY MANAGEMENT AGENCY

SUBJECT: National Security Study Directive Re
Comprehensive U.S. Energy Security Policy

The President has directed that a study be conducted to develop a comprehensive framework for U.S. energy security policies and to review the adequacy of existing policies within that framework. This study builds on NSSD 1-82 which establishes U.S. national security strategy and provides a foundation for companion studies on, among other things, international economic topics.

A comprehensive energy security policy deals with non-economic influences on the market as well as market-oriented policies toward the production and consumption of energy supplies. Twice in the past nine years, non-economic influences -- embargo-induced production cutbacks in 1973 and the Iranian revolution in 1979 -- have impacted severely on the market for energy. Because energy is an essential and pervasive commodity for industrial and agricultural production, the security of energy supply is vital to national economic and ultimately national security interests. In addition, America's principal allies acquire a major share of their energy requirements through imports and would suffer severe economic and political dislocations if these imports were suddenly interrupted or seriously threatened.

The Administration has developed an approach to energy security over the past year which emphasizes reliance on the market place, the rapid build-up of the Strategic Petroleum Reserve, political solidarity with America's oil importing allies in Europe and

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Japan, and the revitalization of America's defense capabilities, including those capabilities particularly needed to secure threatened energy supplies. The present study seeks to evaluate and, where necessary, elaborate and coordinate these policies in the context of current and projected economic and political realities. The changing world oil market situation and continuing conflict in energy-rich regions of the world pose ongoing challenges to the United States and its allies in meeting their essential energy requirements.

The National Security Council staff will manage the scheduling and overall direction of the study. The substantive work will be carried out by various working groups utilizing where appropriate existing interdepartmental groups involved in energy policy affairs. The first meeting of the overall study group will be chaired by the National Security Council staff and will take place in the Old Executive Office Building, Room 305, on April 29, 1982, at 11:00 a.m.

This study should result in a draft National Security Decision Directive for review by the National Security Council no later than July 15, 1982.

FOR THE PRESIDENT:



William P. Clark

Attachment

NSSD 9-82

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National Security Study
Directive Number 9-82

April 20, 1982

COMPREHENSIVE U.S. ENERGY SECURITY POLICY

Introduction

This National Security Study Directive establishes the Terms of Reference for an interagency study to develop a comprehensive framework for U.S. energy security policies and to assess the role, adequacy and relationship of existing policies within this framework.

Objective

The study will lead to a National Security Decision Directive establishing a comprehensive policy for U.S. energy security requirements.

Scope

The interagency study will produce a report for consideration by the National Security Council that addresses, at a minimum, the following issues:

- I. Plausible projections of world (OECD, Communist countries, and LDCs) energy supply, demand and trade between now and the year 2000 (short, medium and long range).
 - o Evaluation of plausible range of projections by private and governmental groups
 - o Anticipated levels of U.S. and allied energy, particularly oil, imports under plausible best case and worst case assumptions.
- II. Potential Disruptions of Energy Supplies
 - o Size and duration of disruptions likely to create vulnerability under best case and worst case supply and demand projections
 - o Sources of such disruptions
 - internal instabilities
 - international conflicts
 - technical or accidental disruptions

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Review on 20 April 1982

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- o Likelihood of such disruptions
- o Consequences of such disruptions
 - economic effects
 - political ramifications
 - effects on military preparedness

III. Pre-Crisis Planning for Disruptions

- o Policies to deter disruptions
 - assessment of secure and insecure sources of supply
 - key policies (security, diplomatic, political, economics, etc.) to reduce likelihood of disruptions in producing and exporting countries
 - physical security of energy resources in the United States
- o Policies to minimize at acceptable cost adverse effects of disruptions
 - national and international safety net measures (e.g. private and public stock-piles, surge capacity, IEA Emergency Sharing System, etc.)
 - removing national and international impediments to greater production and substitution of more secure energy supplies such as coal and nuclear power
 - long-term development of high-risk energy technologies (e.g. breeders, fusion technology, etc.)

IV. Crisis Management of Disruptions

- o Adequacy of crisis decision-making mechanisms
- o Meeting U.S. and NATO military requirements for energy
- o Use of the Strategic Petroleum Reserve in crisis
- o International strategies to contain and terminate disruptions

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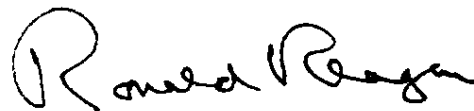
- military measures (e.g. deployment of RDF, etc.)
- diplomatic and military coordination with allies and friends
- economic coordination through International Energy Agency and elsewhere
- use of IEA Emergency Oil Sharing System

Administration

This study will be conducted by an interdepartmental group comprised of the Departments of State, Treasury, Defense, Commerce, Interior, Energy, the Director of Central Intelligence, Chairman of the Joint Chiefs of Staff, Director of Management and Budget, Chairman of the Council of Economic Advisers, Director of the Office of Policy Development, and Director of the Federal Emergency Management Agency. The scheduling and management of the study is the responsibility of the National Security Council staff. Working groups, chaired by the appropriate agencies, will be formed from existing interdepartmental groups or created when necessary to deal with specific aspects of the study.

A report will be completed for consideration by the National Security Council no later than July 15, 1982.

Dissemination of this NSSD, subsequent study material, and the resulting draft NSDD should be strictly controlled and handled on a need-to-know basis.



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